

**TESTIMONY PRESENTED TO THE APPROPRIATIONS COMMITTEE**  
**MARCH 4, 2016**

*Benjamin Barnes*  
*Secretary*  
*Office of Policy and Management*

Testimony Regarding Various Bills

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Senator Bye, Representative Walker and distinguished members of the Appropriations Committee, thank you for the opportunity to offer testimony on several bills under consideration by the committee.

The Office of Policy and Management fully supports **Senate Bill 267, An Act Making Changes to the Teachers' Retirement System to Allow Retention of the Plan D Coparticipant Option After Divorce and to Cease Crediting Interest on Certain Inactive, Nonvested Members, and Eliminating Certain Obsolete Language**. This bill was submitted by the Teachers' Retirement Board and accomplishes several things. Currently, the Plan D co-participant option is terminated upon divorce. Allowing retention of the co-participant option eases the burden to retired members who must divide the pension asset during a divorce. Section 2 of the bill eases administrative burdens for the agency. Currently the Teachers' Retirement Board must credit interest on pension contributions and issue annual statements for at least 25 years before an account can be deemed abandoned. This legislation would reduce the period of inactivity from 25 to 10 years for non-vested members only; the period for vested members would remain at 25 years. Section 2(b) eliminates references to the pension reserve account which ceased to exist decades ago.

The Office of Policy and Management is opposed to the following bills:

- **Senate Bill 269, An Act Requiring the Secretary of the Office of Policy and Management to Study the Impact of Implementing a Forty-Hour Work Week for State Employees.** OPM is currently negotiating contracts with the unionized workforce. New and additional reporting requirements are not supported.
- **House Bill 5417, An Act Creating an Office of Overtime Accountability.** We are opposed to creation of new entities and reporting requirements.
- **House Bill 5418, An Act Concerning Establishing the Anticipated Rate of Return for Investments in State Retirement Plans.** The State Employees Retirement Commission and the Teachers' Retirement Board are currently

charged with this responsibility and are more appropriate bodies than the Investment Advisory Committee for determining actuarial assumptions for their plans.

- **House Bill 5420, An Act Concerning Principal Investment Officers.** The role of establishing appropriate salary ranges for positions should remain with the Department of Administrative Services.

I would like to again thank the committee for the opportunity to present this testimony.